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WORLD HOG AND PORK PROSPECTS

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SUMMARY

Hog prices during November in both the United States and Europe declined to unusually low levels according to the Bureau of Agricultural Economics. Prices of both fresh and cured pork also showed marked declines in domestic and foreign markets. The seasonal increase in slaughter supplies during the month was, in a large measure, responsible for these lower prices. European lard prices were lower in November than in the previous month, but domestic lard prices remained near the October level. In Germany and in the United States, higher feed prices, combined with the lower hog prices resulted in considerably less favorable hog-feed price relationships.

Imports of pork products by the United Kingdom increased during October. Bacon imports were particularly large, and bacon prices in the United Kingdom declined to a level less than half that of a year ago. Most of the increase in United Kingdom bacon imports occurred in the movement from Continental European countries other than Denmark. Ham and lard imports of the United Kingdom in October were above those of a month earlier, but ham imports were only slightly larger than a year ago, while lard imports were considerably below those in October, 1930.

Exports of pork products from the United States increased during October. While the increases were not large, it was the first time in several months that exports of the important pork products exceeded those of the previous month.

The total exports of these products for the month were slightly larger than those of October, 1930, but they were far below the 5-year October average.

United States

A further increase in the slaughter supplies of hogs during November and early December, and the unseasonably warm weather during most of this period were the chief factors responsible for the continued decline in hog prices. After declining slightly during the first week in November, prices advanced during the second week and declined again during the three following weeks, reaching the lowest level in more than thirty years. The November average price of hogs at Chicago was $4.61 per hundred pounds as compared with $5.09 in October and $8.55 in November, 1930. The spread between the prices of the different weight groups continued to be very narrow, even more so than is normal for this time of year. During the week ended November 28, the Chicago price of 180-200 pound good and choice hogs was $4.48, while medium to good packing sows weighing from 275 to 500 pounds averaged $4.00. The price spread between these two groups during the corresponding week last year was nearly $1.00.

The increase in market supplies of hogs was about normal during November. The number of hogs slaughtered under Federal inspection during the month was 4,218,000, an increase of 11.8 per cent over October and an increase of 4.8 per cent over November of last year. This marked the third successive month in which slaughter exceeded that of the corresponding month a year earlier. The average weight of hogs marketed during November decreased seasonally from October and was slightly less than that of November last year.

The decline in hog prices during the month along with an increase in corn prices, resulted in a material reduction in the hog-corn price ratio. Based on Chicago prices, this ratio was 10.8 in November as compared with 13.3 in October and 12.0 in November last year. The decline in the ratio based on 15th-of-the-month farm prices was even greater. The November Corn Belt hog-corn price ratio was 12.1 as against 15.3 on October 15 and 13.9 on November 15, 1930.

Wholesale prices of both fresh and cured pork cuts showed material declines during November, although the price of fresh pork followed the tendency of the live hog market in advancing during the second week of the month. The price reduction continued to be most severe in the case of light loins, the price

of which in November at New York was $12.64 per hundred pounds as compared to $16.49 in October and $18.64 in November 1930. 16-22 pound loins declined from an average of $13.26 in October to $10.75 in November. The average price of smoked hams Regular #1 at the same market was $17.50 as compared to $19.41 in October and $24.69 in November last year. The New York price of bacon # 1 sweet pickle cured 8-10 average was $14.51 in November which was a decline of $2.50 from the October price and $10.44 from the price in the corresponding month last year.

Lard prices were fairly steady during the month. There was a slight advance during the third week of the month, which was not fully maintained during the final week. The price of refined lard at Chicago averaged $8.47 per hundred pounds during November as compared to $8.58 during October and $12.31 in November a year ago.

Exports of the principal pork products from the United States increased during October. While the increases were not large it was the first time for several months that exports of all important pork products exceeded those of the previous month. The total exports of these products for the month were slightly larger than those of October, 1930, but they were far below the October average of the five years preceding.

Lard exports during October amounting to 43,547,000 pounds were 15 per cent larger than the movement in September and were 5 per cent above those of October a year earlier. Takings by the United Kingdom showed the largest increase, being 38 per cent over September but they were 32 per cent below October of last year. The movement to Germany was slightly below that of September, but was far above the unusually low level of the corresponding month a year ago.

Total bacon exports during October, amounting to 2,944,000 pounds, were 6 per cent above the September exports but were 9 per cent below the movement of October last year. Takings by Germany were 34 per cent above those in September and were about six times larger than the small movement in October, 1930. The movement to Cuba in October was about the same as last year, but it was 46 per cent greater than in September. Exports to the United Kindgom were 41 per cent smaller than those of September, and were only about one-half as large as those of October, 1930.

The total export movement of hams and shoulders in October was 12 per cent larger than that of September and 7 per cent larger than the movement in October last year. Takings by the United Kingdom, the principal country importing these cuts, were 12 per cent greater than those of a month earlier and were 14 per cent above the exports in October, 1930. Cuban takings declined somewhat from the September level but they were far above those of October a year ago.

Storage supplies of hog products decreased sharply during October but on November 1 they were still somewhat larger than the unusually small holdings on the corresponding date in 1930. Stocks of pork on November 1, amounting to 380 million pounds, were 6.4 per cent larger than on that date in 1930, but

were 12 per cent smaller than the 5-year November 1 average. Lard stocks, amounting to 40 million pounds, were 9.5 per cent larger than on November 1 last year, but were 45.5 per cent smaller than the 5-year average.

Canada

The weekly prices of bacon hogs at Toronto for the four weeks ended November 26 averaged only $5.28 per hundred pounds compared with $5.74 for the month of October and $11.66 the average for October 1930. The decline in the monthly average price since July this year has been $3.33 compared with only 56 cents in 1930. Markets during the week ended November 26, were very unsteady according to a Canadian Government report. The average price for the same week at Montreal reached the lowest level on record, $5,00 being the best price.

Supplies as indicated by the number graded at stock yards and packing plants amounted to 277,000 for the four weeks of November compared with 194,000 during the corresponding period of 1930 since June. Inspected slaughter for the first ten months of 1931 reached 1,736,000, an increase of 9 per cent over the same period of 1930, but was less than for the same period of the preceding three years. The pork export trade of Canada with Great Britain has once more been resumed in a fairly regular way, states the Canadian Government report. Domestic marketings have been considerably heavier than last year when the supply was short. Although the June 1931 estimate of hog numbers in Canada is not yet available the numbers in June 1930 was the lowest since 1922. However, reports from many sections indicated an increase in the 1931 spring pig crop.

Stocks of pork in cold storage on November 1, 1931 reached 21,224,000 pounds an increase of 27 per cent over the same period of 1930 when the supply was unusually low.

United Kingdom

The sharp price decline in British cured pork markets carried the Liverpool average for American green bellies during November down to $8.93 per 100 pounds, according to information cabled by Agricultural Attache' F.A.Foley at London. That figure is one of the lowest on record, and is less than half of the values prevailing this time last year. Sterling prices contributed to the decline but lower exchange rates figured prominently in reducing current values. In Danish Wiltshire sides also, the November average of $3.34 established a new low level for the past 23 years. The current average represents a drop of $3.00 from the October level and is less than half the average prevailing in November 1930. In American short cut green hams also a new low was set in November for the period indicated at $12.37, down $3.40 from the October average and $9.30 below the November 1930 average. The sterling values of the above items had a downward tendency but the weakening exchange position increased the decline in terms of gold. Cured pork stocks at Liverpool on December 1 stood at 1,864,000 pounds against 942,000 pounds last year.

Total bacon imports into Great Britain during October, the first month of the 1931-32 season, increased to the very large volume of 109,051,000 pounds. May 1931 and December 1930 are the only two months on record reporting bacon imports larger than those of October. The current figure represents an advance of 13.5 per cent over the October 1930 imports. Imports from Denmark, at 71,154,000 pounds, were slightly larger than last year's figures and second only to imports during December 1930. The important increase in the October 1931 imports over those of a year earlier is found in receipts from continental countries other than Denmark. Such imports were 55 per cent larger in October this year than last. October ham imports, while larger than last year were only moderate at 7,217,000 pounds.

Commenting on the sharp decline in bacon prices on British markets in October and November, Mr. H. E. Reed, Foreign Service livestock, meat and wool specialist at London, suggests that the trade tends to place greater emphasis upon variations in continental hog killings than upon current volumes of bacon arriving at British markets. Both killings and arrivals during the past six weeks have been unusually heavy. He quotes trade sources also as pointing out that a seasonal price decline is usual at this time of year. The low levels of this season, however, are much below those of any post-war year and also under the pre-war average. Figures on arrivals of bacon in Great Britain expressed in bales indicate that about one-third of such arrivals from Denmark are received in London markets. The bulk of the remaining total arrivals at London is divided between shipments from Sweden, Netherlands, Poland, and Lithuania. Relatively insignificant quantities are received weekly from Estonia, Latvia, Russia, and Germany. Importers estimate that bacon represented by figures on weekly continental killings arrive on the London market within ten days to two weeks from the time such figures are available.

Hogs: Killings in important continental bacon producing countries, by weeks, August 1 - October 17, 1931 a/

Week ended	Denmark	Netherlands	Poland	Sweden
	Number	Number	Number	Number
Aug. 15	117,518	28,853	18,000	11,091
" 22	121,361	26,039	21,700	12,086
" 29	128,553	25,724	22,500	12,080
Sept. 5	135,256	19,852	20,300	11,906
" 12	133,051	14,882	21,600	10,461
" 19	117,861	17,158	18,000	9,375
" 26	122,109	25,595	20,300	8,695
Oct. 3	97,203	10,356	20,000	9,250
" 10	131,671	23,447	17,900	8,800
" 17	166,530	13,318	28,118	10,300
" 21	144,582	5,561	27,000	4,316
" 28	122,029	7,346	17,500	6,985
Nov. 4	129,466	17,155	20,500	6,880
" 11	149,357	10,718	28,750	8,400

Transmitted by H. E. Reed, meat and wool specialist at London, Foreign Agricultural Service. a/ Unofficial.

Wiltshire sides: Arrivals at London from continental countries, by weeks, August 15 - October 17, 1931 a/

Week ended	Danish at all ports	At London			
		Danish	Swedish	Dutch	Polish
	Bales	Bales	Bales	Bales	Bales
Aug. 15	63,970	29,822	3,114	8,461	5,906
" 22	60,291	27,994	3,234	7,618	7,085
" 29	59,850	27,518	3,123	6,997	8,255
Sept. 5	61,530	29,037	3,491	6,323	8,376
" 12	66,447	32,967	3,778	5,827	8,762
" 19	68,016	34,445	3,592	4,234	8,438
" 26	62,674	30,855	3,127	4,855	8,792
Oct. 3	59,178	28,337	2,728	4,171	8,397
" 10	54,406	27,311	2,923	5,404	8,695
" 17	50,638	23,481	3,075	4,066	7,825
" 23	72,479	36,577	2,288	2,512	9,411
" 30	73,259	37,639	2,353	2,298	8,185
Nov. 6	69,974	35,806	2,953	2,816	9,462
" 13	62,152	32,034	1,982	2,851	9,634

Continued -

Wiltshire sides: Arrivals at London, from continental countries, by weeks, August 15 - October 17, 1931 a/ - Contd

Week ended	Arrivals from ---				
	Lithuania	Estonia	Latvia	Germany	Russia
	Bales	Bales	Bales	Bales	Bales
Aug. 15	3,452	160	18	96	345
" 22	3,639	299	266	164	217
" 29	3,436	299	243	0	0
Sept. 5	1,845	352	337	0	0
" 12	2,405	405	171	86	699
" 19	1,150	441	185	92	0
" 26	1,779	466	121	0	541
Oct. 3	1,588	468	192	0	114
" 10	3,275	622	396	0	466
" 17	2,458	726	571	0	0
" 25	2,741	966	574	0	702
" 30	3,123	997	366	0	0
Nov. 6	4,389	531	181	0	0
13	4,357	530	291	0	0

Transmitted by H. E. Reed, meat and wool specialist at London, Foreign Agricultural Service. a/ London Provision Exchange. Sides are packed 4 or 6 to the bale, according to weight of sides. The most popular bale is that carrying 4 sides with the total weight ranging 220-260 pounds.

The more than seasonal weakness in the British lard market during November brought the Liverpool average for prime steam western down to the new low of $8.21 for 100 pounds, Mr. Foley reports. That figure was $1.16 under the October average and $4.25 below the November 1930 figure. December 1 stocks of lard at Liverpool stood at 990,000 pounds against 1,299,000 pounds a year earlier. Lard stocks have run fairly consistently higher this year than last, as have imports. October lard imports, while larger than September figures, reached only 17,329,000 pounds, which was about 26 per cent below the October 1930 level, and well under the monthly average for the 1930-31 season. The bulk of the lard imports came from the United States.

Seasonally larger receipts of fat pigs at representative British markets brought the November total to 70,841 head, Mr. Foley reports. That figure was larger than for any November since 1928. British and Irish fresh pork supplies at London central markets for November at 9,516,000 pounds, were under the October figures, but larger than those of either of the two preceding Novembers. Killings of hogs in Ireland for curing continued this season's heavier movement to reach 111,402 head for November.

Continental Countries Important in British Market Supplies

The 1931-32 shipping season in Denmark opened in October with total bacon exports 5.8 per cent larger than at the same time last year, according to preliminary reports. Netherlands supplies of export bacon, as reflected in British imports from that source, continue larger than usual. British imports of Netherlands bacon in October were larger than the October imports of either 1929 or 1930. In Sweden indications are that total hog numbers in the autumn of 1931 were slightly larger than a year earlier, but that there were material reductions in breeding stocks and young pigs, according to Mr. E. Johnson of the Göteborg consular office. Figures for September 15 showed that the increase over last year's numbers was largely in fattened hogs three months old or more. In general, hog numbers declined in localities growing comparatively little grain, whereas numbers increased on farms raising more grain, Mr. Johnson reports. Where hog numbers declined, the decrease frequently involved the elimination of hogs from the farm.

Germany

The heavier market receipts of hogs registered during the 1930-31 season were continued into the 1931-32 season, a total of 319,000 head being registered at 14 cities during October, according to Agricultural Attaché L. V. Steere at Berlin. Early indications are for a larger total for November when final figures for that month are available. The October receipts were larger than in either 1929 or 1930 during that month. Slaughter at 36 centers also were larger in October than in the corresponding month of the past two years, standing at 430,000 head. The sharp drop in November hog prices brought the Berlin average for heavy hogs down to $8.94 per 100 pounds, a point well below former post-war prices, and also below the pre-war average for any month. In October 1931, the average was $9.60. That figure represented a decline from the August and September levels, which was accompanied by an upward movement in feed prices. Leipzig barley prices in October were still below last year's level, but hog prices showed a much quicker relative decline than did barley. Breslau potato prices in October were higher than last year.

The more than seasonal sharp drop in lard prices during November brought the average at Hamburg down to $8.99 per 100 pounds, Mr. Steere reports. That figure was a new low for the period 1909-1932. Last November the price stood at $13.32, while in October 1931 it was fairly strong at $10.27. October imports of lard totaled 18,739,000 pounds. The October figure was the largest since last April and larger than that of October last year. The proportion of the total coming from the United States has been reduced in recent months by larger imports from nearby countries, notably Denmark. The United States, however, continues to contribute well over half of the current German lard imports. Consul L. L. Schnare at Hamburg reports that around November 1, an easier tendency in prices of Danish lard resulted in a somewhat keener competition than that which existed early in October. The depreciation of Danish currency is not having as much influence on the Hamburg market as was anticipated, according to the Consul. It appears that supplies in Denmark available for export are not regarded as depressing. Bacon imports into Germany continue to increase, despite larger domestic production.

Other Countries

Belgium

There is practically no business being done in American pork products in Belgium, according to Consul Walter S. Reineck. Heavy domestic production has reduced activity in the American products to a low level. Indications are that Belgian hog raisers are finding little or no profit in the present prices. Large scale hog raising, therefore, is being discouraged but current numbers are great enough to maintain sufficient market supplies for several months. In practically all parts of the country, there are available heavy stocks of Belgian lard and fat bacon. These supplies, together with easily available low priced lard from the Netherlands, prevent the making of contracts for American lard despite the relative low price at which the latter is offered.

South Africa

The annual congress of the South African Agricultural Union, meeting in Pretoria on October 27, proposed to the Government certain measures for aiding the South African hog industry. The proposal includes an increase in the present duties on bacon and ham which now range from 3 to 6 cents per pound. New duties are proposed also for lard and edible meat fats which now stand at from 2 to 2½ cents per pound. Relative small quantities of bacon and ham are now being received from the United States. The aim of the new measure is to make South Africa self sufficient with respect to hog products rather than to build up an export business in those lines, according to Agricultural Attache' C. C. Taylor at Pretoria. It is stated that there are good possibilities of increasing hog production, particularly in connection with the expanding dairy industry.

New Zealand

Exports of pork carcasses from New Zealand totaled 133,754 for the twelve months ended September 30, 1931 as against 133,810 carcasses for the preceding twelve months, according to Consul Bernard Gotlieb at Wellington. Of the 1930-31 exports, 70.9 per cent were shipped to London against 72.4 per cent in 1929-30. Practically all of the balance went to other British ports in both seasons.

Mexico

The beginnings of a hog raising industry have appeared in the Mazatalan consular district, according to Vice Consul E. W. Eaton at Mazatalon, Mexico. A few Americans and some natives have gone into commercial hog production in the last few years with some success. Prices have been generally favorable.

Hogs and Pork Products: Indices of foreign supplies and demand

Country and item	Unit	1909-10 to 1913-14 average	1924-25 to 1928-29 average	October 1928	October 1929	October 1930	October 1931
UNITED KINGDOM							
Production -							
Fat pigs, certain markets	1000's	53	62	77	72	65	74
Supplies, domestic fresh pork, London	1000 pounds		6,747	9,928	7,838	7,972	10,013
Imports -							
Bacon -							
Denmark	"	20,330	40,385	50,703	47,486	70,906	71,154
Irish F.State	"		6,261	7,936	6,129	3,657	4,335
United States	"	14,312	8,439	2,780	3,463	967	1,387
Canada	"	1,799	6,979	2,340	1,624	172	920
Others	"	4,914	12,237	18,619	13,700	20,107	31,356
Total	"	41,405	74,301	82,378	72,402	95,809	109,051
Ham, total	"	6,322	7,979	6,484	8,105	5,792	7,217
Lard, total	"	26,821	18,836	18,079	21,844	22,897	17,329
DENMARK:							
Exports -							
Bacon	"		39,596	45,295	45,310	67,869	a/69,304
CANADA:							
Slaughter -							
Hogs, inspected	1000's	141	219	200	207	160	247
GERMANY:							
Production -							
Hog receipts							
14 cities	"		274	353	295	310	319
Hog slaughter							
36 centers	"	379	335	445	357	413	430
Imports -	1000						
Bacon, total	pounds	282	2,470	817	1,839	1,728	a/ 4,850
Lard, total	"	18,871	20,484	13,240	20,480	14,564	a/18,739
UNITED STATES:							
Slaughter -							
Hogs, inspected	1000's	2,421	3,294	3,713	3,857	3,492	3,772
Exports -							
Bacon -	1000						
United Kingdom	pounds	9,453	4,726	1,604	2,565	1,114	572
Germany	"	132	1,491	83	760	128	818
Cuba	"	627	1,728	1,064	1,803	677	663
Total	"	14,175	11,750	4,973	9,858	3,268	2,944
Hams, shoulders							
United Kingdom	"	9,018	9,857	3,590	5,767	4,004	4,560
Total	"	10,986	11,962	4,747	7,580	5,259	5,628
Lard -							
United Kingdom	"	9,669	15,757	15,095	19,965	23,554	15,950
Germany	"	11,515	12,942	14,424	18,270	2,908	14,211
Cuba	"	2,810	6,661	6,260	6,494	3,923	4,249
Netherlands	"	2,590	2,587	2,439	3,545	626	1,569
Total	"	33,825	52,553	59,865	70,698	41,396	43,547

a/ Preliminary.

Hogs and pork products: Foreign and domestic average prices per 100 pounds for the month indicated, and stocks at the end of each month

Item	Oct. 1909-1913 average	Oct. 1925-1929 average	Oct. 1930	Sept. 1931	Oct. 1931
	Dollars	Dollars	Dollars	Dollars	Dollars
Prices -					
Hogs, Chicago, basis packers' and shippers' quotations	7.93	10.67	9.34	5.41	5.09
Corn, Chicago, No. 3 Yellow	1.12	1.55	1.57	.75	.68
Hogs, heavy, Berlin, live weight	12.27	16.82	12.41	11.26	9.60
Potatoes, Breslau feeding	.31	.49	.24	.22	.33
Barley, Leipzig	1.70	2.20	1.98	1.68	1.70
Lard -					
Chicago	11.20	15.51	13.94	9.00	
Liverpool	12.50	14.95	13.33	9.24	9.37
Hamburg	25.37	15.52	13.88	10.10	10.27
Cured pork -					
Liverpool -					
American short cut green hams	14.30	25.19	20.78	18.03	15.72
American green bellies		22.81	19.88	12.29	10.22
Danish Wiltshire sides	15.50	24.33	17.27	14.51	11.35
Canadian green sides	14.87	a/ 22.71	b/	b/	b/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Stocks -					
Liverpool -					
Hams, bacon and shoulders		3,751	1,114	1,545	1,641
Lard, refined		6,790	587		
United States -					
Processed pork c/		437,982	356,803	474,887	379,746
Lard in cold storage		73,010	36,211	69,296	39,641

a/ Three-year average.
b/ No quotation.
c/ Dry salt cured and in process of cure; pickled, cured, and in process of cure, and frozen.

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